

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2335
ANSWERED ON:13.03.2001
LOW CONSUMPTION AND EXPORT OF STEEL
T.T.V. DHINAKARAN

Will the Minister of STEEL be pleased to state:

- (a) whether the total steel production in the country is in excess of the total steel consumption and export;
- (b) if so, the details in this regard;
- (c) the reasons for the low consumption of steel; and
- (d) the steps taken/proposed to be taken to increase consumption and export of steel?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Apparent consumption of steel has been defined as production plus imports minus exports plus variation in stock. The comparative figures for production, consumption, exports and imports of finished steel for 1999-2000 are as noted below:

(In `000 tonnes)

Production	Consumption	Exports (Provisional)	Imports (Provisional)
------------	-------------	-----------------------	-----------------------

26711	25015	2670	1600
-------	-------	------	------

(c) The main reasons for the low consumption of steel inter alia, include:

- i) Sluggish demand in the steel consuming sectors.
- ii) Overall economic slow down in the country
- iii) Lack of awareness regarding the varied uses of steel.
- iv) Lack of investment in infrastructure and delayed start of Mega Projects in infrastructure.

(d) Government has taken several steps to increase the consumption and export of steel in the country. These are:

(i) To boost the demand and consumption of steel, the Development Commissioner for Iron and Steel has launched a National Campaign for increasing the demand for steel, especially, in non traditional sectors, such as rural and agro based industrial sectors.

(ii) `A Steel Exporters Forum` has been set up to help steel exporters to overcome bottlenecks in exports.

(iii) Main producers are orienting product-mix to suit the market requirements and adjusting production in tune with the changed market demand.

(iv) Producers are developing and nourishing long term customer relationship by entering into MOUs/supply arrangement with the customers.

(v) Steel Producers have taken steps to reduce costs and improve techno economic parameters.